

Message Text

UNCLASSIFIED

PAGE 01 STATE 194945 TOSEC 200077

71

ORIGIN PRS-01

INFO OCT-01 SS-15 ISO-00 PA-02 SSO-00 CCO-00 /019 R

DRAFTED BY S/PRS:CWAYLAND:BB

APPROVED BY S/PRS:FZBROWN

S/S: J. HOGANSON

----- 024517

P 060014Z AUG 76 ZFF4

FM SECSTATE WASHDC

TO USDEL SECRETARY PRIORITY

UNCLAS STATE 194945 TOSEC 200077

FOR FUNSETH FROM S/PRS

E.O. 11652: N/A

TAGS: SOPN (KISSINGER, HENRY A)

SUBJECT: TRAVELLING PRESS REPORTAGE, AUGUST 5 EVENING

NO. 5

WIRES

1. AP (FREED FROM TEHRAN) -- "SECRETARY KISSINGER
ARRIVED TODAY FOR ECONOMIC DISCUSSIONS THAT WILL INCLUDE
A CONTROVERSIAL ARMS-OIL BARTER ARRANGEMENT AND THE
POTENTIAL SALE OF EIGHT AMERICAN NUCLEAR REACTORS.

A TEHRAN NEWSPAPER REPORTED EARLIER IN THE WEEK THE
REACTOR SALE AND OTHER TRADE AGREEMENTS TOTALING \$26
BILLION WOULD BE SIGNED DURING KISSINGER'S VISIT. A
SENIOR AMERICAN OFFICIAL SAID PROGRESS HAD BEEN MADE ON
THE NUCLEAR TRANSACTION, BUT REPORTERS TRAVELING WITH
THE SECRETARY WERE CAUTIONED AGAINST ANTICIPATING CON-
CLUSION OF EITHER THAT OR THE OIL DEAL.

KISSINGER WILL MEET HERE WITH THE AMERICAN AMBASSADORS TO
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 194945 TOSEC 200077

EGYPT AND JORDAN; A SENIOR AMERICAN OFFICIAL IN

KISSINGER'S PARTY SAID THE REVIEW WILL FOCUS ON LEBANON

AND THE SALE OF AMERICAN AIR-DEFENSE HAWK MISSILES TO JORDAN. THE OFFICIAL TERMED THE TALKS ROUTINE.

REPORTERS ON THE SECRETARY'S PLANE WERE TOLD NO DEAL IS CLOSE ON THE OIL-ARMS BARTER SINCE THE FORD ADMINISTRATION HAD NOT MADE A BASIC POLICY DECISION.

KISSINGER IS EXPECTED TO TELL THE SHAH THAT PROBLEMS EXIST WITH THE BARTER CONCEPT BECAUSE SOME ADMINISTRATION OFFICIALS ARGUE IT WOULD INCREASE THE AMERICAN DEPENDENCY ON FOREIGN OIL."

2. UPI (FROM TEHRAN) -- "THE SECRETARY FLEW TO TEHRAN FOR TALKS ON A COMPLEX EXCHANGE OF U.S. FIGHTERS FOR CHEAP CRUDE OIL.

HIS TWO DAYS OF TALKS WITH IRANIAN OFFICIALS ALSO WILL SEEK TO RESOLVE A DISPUTE OVER THE TOUGH SAFEGUARDS THE U.S. GOVERNMENT WANTS TO ATTACH TO THE PROPOSED SALE OF EIGHT NUCLEAR POWER REACTORS.

THE ARMS DEAL TO BE DISCUSSED WITH THE SHAH WOULD INVOLVE THE BARTERING OF MILLIONS OF DOLLARS WORTH OF F16 AND F18 FIGHTERS FOR CHEAP CRUDE OIL.

U.S. ARMS SALES TO IRAN -- TOTALING \$10 BILLION SINCE 1973 -- HAVE COME UNDER ATTACK IN A SENATE FOREIGN RELATIONS COMMITTEE REPORT RELEASED MONDAY.

BUT U.S. OFFICIALS MINIMIZED THE POSSIBLE IMPACT OF THE CHARGES, SAYING THE UNITED STATES ALREADY HAD CORRECTED PAST MISMANAGEMENT IN THE ARMS SALES PROGRAM.

IRAN REPORTEDLY WOULD LIKE TO PROVIDE SEVERAL MILLIONS OF BARRELS A DAY OF EXCESS CRUDE TO U.S. COMPANIES IN RETURN FOR 30 F16S AND UP TO 255 OF THE LAND-BASED VERSION OF THE F18. ONE OF THE DIFFICULTIES OF THE PROPOSED DEAL IS THAT CONGRESS, ALREADY UPSET BY THE SIZE OF THE U.S. ARMS UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 194945 TOSEC 200077

SALES TO IRAN, WOULD INSIST ON REVIEWING THE PROPOSALS AND POSSIBLY ENCUMBER THEM WITH RESTRICTIONS."

3. REUTER (NO BYLINE FROM TEHRAN) -- "U.S. SECRETARY OF STATE KISSINGER FLEW HERE TONIGHT TO DISCUSS AN IRANIAN ATTEMPT TO MAINTAIN ITS RECORD-SETTING ARMS PURCHASES BY BARTERING ITS OIL DIRECTLY FOR AMERICAN GUNS, WARSHIPS AND JETFIGHTERS.

IRAN HAS ALREADY PURCHASED 10 BILLION DOLLARS WORTH OF U.S. WEAPONS, INCLUDING HIGHLY SOPHISTICATED F-14 AND F-15 JETFIGHTERS, IN THE PAST FOUR YEARS, FOLLOWING A CONTROVERSIAL DIRECTIVE FROM PRESIDENT NIXON IN 1972.

BUT ITS OIL REVENUES HAVE FALLEN OFF THIS YEAR AND IT HAS BEGUN DISCUSSING OIL-FOR-ARMS SWAPS WITH TWO MAJOR U.S. ARMS MANUFACTURERS, GENERAL DYNAMICS AND LITTON INDUSTRIES, U.S.OFFICIALS SAID.

THE OFFICIALS, TRAVELLING HERE WITH DR. KISSINGER FOR HIS MEETING TOMORROW WITH THE SHAH, SAID WASHINGTON HAS NOT YET GIVEN ITS BLESSING TO THE PROPOSED BARTER DEALS. THE U.S. GOVERNMENT, THEY SAID, HAD MISGIVINGS ABOUT THE IDEA BUT WOULD NOT BE DIRECTLY INVOLVED.

THE OFFICIALS REPORTED CONCERN WITHIN THE FORD ADMINISTRATION OVER ANY DEAL THAT MIGHT INCREASE U.S. OIL IMPORTS AT A TIME WHEN AMERICA IS STRIVING FOR SELF-SUFFICIENCY IN ENERGY.

IN THE PAST, THE UNITED STATES HAD CRITICIZED INDUSTRIALIZED COUNTRIES THAT ENTERED INTO PRIVATE DEALS WITH OIL PRODUCING NATIONS, SAYING THAT THE WESTERN WORLD SHOULD MAINTAIN A SOLID FRONT.

DR. KISSINGER ARRIVED IN IRAN FOLLOWING A CONTROVERSY IN WASHINGTON OVER A SENATE REPORT THAT SAID PRESIDENT NIXON HAD ORDERED VIRTUALLY UNRESTRAINED ARMS SALES TO IRAN IN 1972.

SOME 25,000 AMERICAN CIVILIAN ADVISERS ARE CURRENTLY IN UNCLASSIFIED

UNCLASSIFIED

PAGE 04 STATE 194945 TOSEC 200077

IRAN TO HELP THE IMPERIAL ARMED FORCES ASSIMILATE THE EQUIPMENT.

DR. KISSINGER WILL DISCUSS ARMS AND OTHER ISSUES WITH THE SHAH TOMORROW AT NOWSHAHR, ON THE CASPIAN SEA. ON SATURDAY, HE ATTENDS A JOINT U.S.-IRAN ECONOMIC COMMISSION HERE TO DISCUSS PROGRESS ON A FIVE-YEAR PROGRAM TO RAISE NON-OIL TRADE BY 15 BILLION DOLLARS OVER THE NEXT FIVE YEARS.

U.S. OFFICIALS SAID THEY WOULD BE SURPRISED IF THE TWO COUNTRIES MANAGED TO CONCLUDE A LONG-PROPOSED SALE OF U.S. NUCLEAR REACTORS TO IRAN DURING DR. KISSINGER'S VISIT.

THE DEAL, FOR SIX TO EIGHT REACTORS GENERATING 8,000

MEGAWATTS OF ELECTRICITY, HAS BEEN STALLED BY IRAN'S
REFUSAL TO ACCEPT STRICT U.S. SAFEGUARDS AGAINST THE
POSSIBLE USE OF THE SPENT FUEL FOR NUCLEAR WEAPONS.

THE OFFICIAL PARS NEWS AGENCY SAID DR. KISSINGER WILL
DELIVER A FRIENDLY MESSAGE FROM PRESIDENT FORD TO THE
IRANIAN MONARCH.

IT SAID KISSINGER'S VISIT WAS OF SPECIAL SIGNIFICANCE IN
VIEW OF THE UNITED NATIONS GENERAL ASSEMBLY SESSION NEXT
MONTH.

DR. KISSINGER WAS MET ON ARRIVAL BY THE IRANIAN ECONOMY
MINISTER HOUSANG ANSARI."

RADIO/TV

1. NO COVERAGE OF KISSINGER TRIP BY NETWORKS. HABIB

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TOSEC, PRESS COMMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 06 AUG 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE194945
Document Source: CORE
Document Unique ID: 00
Drafter: CWAYLAND:BB
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760302-0959
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760877/aaaacova.tel
Line Count: 187
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN PRS
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ellisoob
Review Comment: n/a
Review Content Flags:
Review Date: 22 JUL 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <22 JUL 2004 by hattaycs>; APPROVED <27 JUL 2004 by ellisoob>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: TRAVELLING PRESS REPORTAGE, AUGUST 5 EVENING NO. 5 WIRES
TAGS: SOPN, (KISSINGER, HENRY A)
To: SECRETARY
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006